

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

IN THE MATTER OF:

FILED

OCT 02 2008

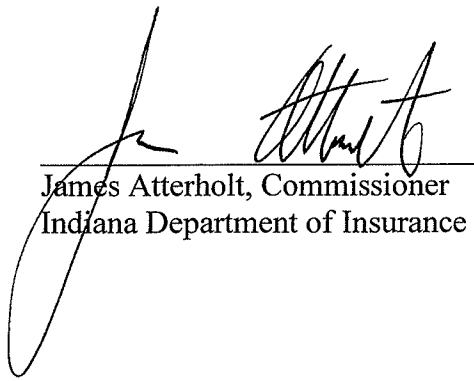
STATE OF INDIANA
DEPT. OF INSURANCE

1) Respondent shall pay an administrative fine in the amount of seventeen thousand, five hundred dollars (\$17,500.00) within thirty (30) days of the date of this Final Order.

- 2) The Department agrees to accept Respondent's compliance as full and final resolution of all issues under this cause number.

ALL OF WHICH IS ORDERED this 2 day of September, 2008.

October SA



James Atterholt, Commissioner
Indiana Department of Insurance

Distribution:

Nikolas P. Mann.
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Harley-Davidson Insurance Services, Inc.
Attn: Wayne Pollack, Vice-President
3850 Arrowhead Dr.
Carson City, NV. 89706

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 6301-AG08-0730-230

IN THE MATTER OF:

Harley-Davidson Insurance Services, Inc.
Respondent,

3850 Arrowhead Dr.
Carson City, NV. 89706

NAIC No.: 660782

FILED

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STATE OF INDIANA
DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is executed by Nikolas P. Mann, Attorney for and on behalf of the State of Indiana, Indiana Department of Insurance ("Department"), and Harley-Davidson Insurance Services, Inc. ("Respondent"), a nonresident insurance agency licensed to do business in Indiana, to resolve all issues in Cause Number 6301-AG08-0730-230. This Agreed Entry is subject to the review and approval of Jim Atterholt, Commissioner of the Indiana Department of Insurance.

WHEREAS, Respondent is a Nevada resident insurance agency that holds a nonresident producer license in the State of Indiana;

WHEREAS, Respondent operates call centers in a number of locations, including Nevada, where its agents sell property and casualty insurance underwritten by independent insurance companies in 49 states;

WHEREAS, beginning in early 2007, Respondent began to assemble a new management team: a new President was hired in February of 2007; a new General Counsel was hired in August of 2007; and a new position of Vice President of Operations was created in January of

2008. As of January 2, 2008, all insurance producers of Respondent reported to the Vice President of Operations, instead of the Vice President of Insurance; this move was intended to enhance Respondent's ability to deliver consistent and efficient service to insureds and other customers. Moreover, due to concerns of the new President, Respondent initiated an agency-wide internal audit in 2007, and before Respondent received any inquiries from any regulator related to the letter referenced below;

WHEREAS, based on findings of the ongoing internal audit and review, the employee of Respondent who was responsible for agent and agency licensing ("Employee") was placed on a corrective action plan in or about November of 2007 to address issues relating to insurance licensing; said Employee subsequently resigned;

WHEREAS, on November 20, 2007, the Department received a letter written by the Employee and addressed to the Department and other state insurance regulators alleging that, on a number of occasions, Respondent's producers had engaged in the sale, solicitation, or negotiation of insurance in the state of Indiana without the required non-resident producer licenses;

WHEREAS, as a result of Respondent's internal findings, and prior to any of inquiries by Department, Respondent voluntarily began to initiate certain measures, including the strengthening of existing compliance policies and procedures and the implementation of new procedures, all in order to ensure that, going forward, there will be no violations of any state's producer licensing laws;

WHEREAS, Respondent promptly provided information requested by the Department, and at the Respondent's suggestion, met with the Department at an in-person meeting held at the

Department in June of 2008, where the Respondent provided additional information and background;

WHEREAS, Respondent has engaged in conversations with the insurance regulators of several states with respect to this licensing matter, many of which (following fact gathering and meetings or discussions with Respondent) have chosen to take no regulatory action;

WHEREAS, Respondent has been cooperative and proactive with the Department and has devoted a substantial amount of time and effort in providing the Department with answers to all of its inquiries;

WHEREAS, neither the Department nor Respondent are aware of any instance of harm to an Indiana consumer;

WHEREAS, the Department agrees that this Agreed Entry does not constitute an admission by Respondent of any knowing or intentional violation of any Indiana producer licensing laws or an admission of any liability or violation whatsoever; and

WHEREAS, the Department and Respondent desire to resolve their differences and settle the issues without the necessity of filing a Statement of Charges and an administrative hearing. Respondent does not concede the violations alleged by the Department but in the interest of bringing this matter to resolution in the most cost effective way and without further proceedings and expense agrees to this Agreed Entry.


IT IS, THEREFORE, NOW AGREED by and between the parties as follows:

1. The Commissioner has jurisdiction over the subject matter and Respondent in this administrative action.
2. This Agreed Entry is executed voluntarily by the parties.


3. Respondent voluntarily and freely waives the right to a public hearing.
4. Respondent voluntarily and freely waives the right to judicial review of this matter.
5. Respondent agrees to pay the amount of Seventeen Thousand Five Hundred Dollars (\$17,500.00) within sixty (60) days of the filing of the Commissioner's Final Order in this matter.
6. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry as full resolution of all matters related to this issue.
7. Respondent has carefully read and examined this Agreed Entry, has been represented by counsel, and fully understands its terms.

9/18/08
Date Signed

9-9-08
Date Signed



Nikolas P. Mann, Attorney
Indiana Department of Insurance



Wayne Pollack, Vice-President
Harley-Davidson Insurance Services, Inc.

STATE OF Illinois)
COUNTY OF Cook) SS:

Before me a Notary Public for Cook County, State of Illinois,
personally appeared Wayne Pollack
and being first duly sworn by me upon her oath, says that the facts alleged in the foregoing
instrument are true.

Signed and sealed this 9 day of September, 2008.



CARRIE GROAT
Signature
Carrie Groat
Printed

My Commissioner expires: 7.18.11

County of Residence: Kane